

Dave Laucella
07-10-5

American Chemistry Council - Solvents Industry Group
Testimony To Air Resources Board on 2007 AIM Coatings SCM
October 26, 2007

Good morning...Chairperson Nichols, Board Members, and public participants, my name is Dave Laucella of Shell Chemical Company and I am representing the American Chemistry Council's Solvents Industry Group. From the perspective of companies that manufacture and market solvents, our industry is committed to the development of responsible and sustainable regulations that reduce the environmental impact of solvents.

I am here today to make an urgent appeal to the ARB Board to not approve the 2007 AIM Coatings SCM as currently proposed, because there is a better way that ARB can achieve greater and more immediate reductions in ozone-forming potential through the use of a photochemical reactivity-based SCM for AIM coatings. A reactivity approach delivers targeted and substantial reductions in OFP to meet your air quality objectives, while giving greater flexibility to coatings formulators, so they can achieve environmental objectives without compromising product performance. The end result means coatings that look better, work better, last longer, and are low ozone formers.

We have submitted detailed comments to this Board in advance of this meeting, which we hope you have had the chance to review. The key point we wish to focus upon today is that the current and proposed mass-based VOC emission controls have reached the point of diminishing returns and no longer achieve the full intended reduction of ground level ozone formation. As indicated in our written comments, ARB's own data reveal that the mass-based VOC regulations have missed significant opportunities to reduce ozone formation potential, because there is no incentive for the AQMD's or product formulators to account for the photochemical reactivity of the solvent being used. The data show that continued reduction in mass-based limits is leading to increased use of higher reactivity solvents, which offsets much, or in some cases all, of the required ozone-formation gains. In 24 of 38 AIM coatings categories, the ozone formation potential per pound of solvent emissions increased, often dramatically, between the years 2000 and 2004. As a result, the reported 14% decrease in mass of VOC emissions from these AIM coatings achieved only a 7% decrease in OFP; meaning that 50% of the opportunity for air quality improvement was missed entirely. This backsliding effect is due in large part to the mass-based SCM's failure to encourage formulators to make lower-reactivity substitution choices within the construct of the SCM.

This situation becomes even worse when looking at specific product categories. In architectural flat coatings, the total mass of VOC emissions decreased by 11% between 2000 and 2004, however the total ozone formation potential increased by 5.4 % or 1.88 tons per day in that same period. This happens because a VOC mass reduction approach drives formulators to use higher-reactivity solvents. The outcome of non-targeted mass-based approaches is unpredictable and depends entirely on subsequent formulation decisions, which are neither regulated nor tracked.

Testimony Given By Dave Laucella, Shell Chemical LP

07-10-2
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The regulation of VOCs in AIM coatings is clearly a "solvents" issue and, as such, we have proactively engaged the ARB staff and executive management throughout 2007 to carry forward this message, to present these findings, and to make appeals to include photochemical reactivity-adjusted VOC measures into the draft 2007 SCM. Momentum has been gradually building toward the use of Reactivity, as seen in the SCAQMD, who recently sponsored a Technology Forum and Roundtable on Reactivity to evaluate whether reactivity should be brought into its near-term VOC emission agenda.

With respect to this AIM Coatings SCM, however, the position of some has been that reactivity is too complicated, not desirable to all, and that it is too late for inclusion in this SCM. We think ARB has a very compelling opportunity to get much more significant ozone formation reductions and should act now rather than let another 7-10 years of missed opportunities go by. The State of California's experience with its Aerosol Coatings Rule shows that clearly, reactivity can be done successfully, as it is soon to be adopted in EPA's National Aerosol Coatings Rule.

In summary, we are asking ARB to not approve the 2007 AIM Coatings SCM as proposed; and direct ARB staff to develop a reactivity-based SCM that measures and controls what matters most- OFP. A reactivity approach when applied across all product categories clearly has the ability to be a big win-win situation for ARB, the AQMDs, and the people of California, by affording industry the opportunity to effectively do its part in reducing the ozone formation potential of its products, while maintaining the economic and technologic viability to make and sell products. We stand ready to assist ARB in whatever way possible, and offer our resources to help make the benefits of reactivity become a reality.

We thank you for your time and attention today, and look ~~we~~ forward to your positive action in this area.